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Dear Head of Council:

Municipalities are essential partners in the enforcement of Ontario's cannabis legalization framework. Recently, municipalities considered their option to opt-out of private retail stores. Whether municipalities chose to opt-out or not, all municipalities have new tools to address illegal stores in their communities. I am writing to ensure that you are aware of the tools that are now available to municipalities.

As you know, the *Cannabis Control Act, 2017* (the Act) came into force on October 17, 2018. It brings with it enforcement tools and penalties. The Act will help achieve the province's primary objectives of protecting youth and eliminating the illegal market.

The penalty for an individual who sells or distributes illegal cannabis, or who allows their property to be used to sell or distribute illegal cannabis, is a maximum fine of \$250,000 and/or up to two years in prison for first convictions. Corporations who are convicted of these offences can be liable for a maximum fine of \$1,000,000. There are also additional fines for each day on which the offence occurs or continues on subsequent convictions. As is the case with all offences under the *Provincial Offences Act*, **municipalities are entitled to retain the balance of fine revenues collected under the *Cannabis Control Act, 2017* after the remittance of certain fees and surcharges.**

The Act allows police officers and other persons designated by the Attorney General, which may include your By-Law Enforcement Officer, to enforce the Act, providing flexibility to enable community-based enforcement approaches, and to potentially broaden the scope of enforcement of the Act beyond police. If you would like further information on the designation process, please contact Renu Kulendran, Executive Director of the Ontario Legalization of Cannabis Secretariat, at Renu.Kulendran@ontario.ca.

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The police and other persons designated under the Act have broad enforcement powers. New enforcement powers that are contained under the Act include: potential liability for landlords who knowingly permit a premises to be used for the illegal sale and distribution of cannabis, an interim closure authority of premises that are suspected of being used for the illegal sale or distribution of cannabis, removal of people from premises that are suspected of using the premise for contraventions under the Act, and seizure authority.

We appreciate the efforts of municipalities in the implementation of the federal government's legalization of cannabis and our government looks forward to continuing to work together.

Sincerely,

Vic Fedeli
Minister of Finance

c: The Honourable Caroline Mulroney, Attorney General
The Honourable Steve Clark, Minister of Municipal Affairs and Housing
Paul Boniferno, Deputy Attorney General
Greg Orencsak, Deputy Minister of Finance
Laurie LeBlanc, Deputy Minister of Municipal Affairs and Housing
Renu Kulendran, Ontario Legalization of Cannabis Secretariat, Ministry of
Attorney General
Nicole Stewart, Executive Lead, Cannabis Retail Implementation Project, Ministry
of Finance
Dan Miles, Chief of Staff